

The MetroHealth System
Lakewood Hospital Proposal

HEART OF PROPOSAL

1-8
31-34

1.) Operational Plan and Strategic Vision:

The MetroHealth System

The MetroHealth System ("MetroHealth") has served the healthcare needs of Cuyahoga County in a sustainable and innovative manner since 1837. The goal of providing access to affordable health care that delivers effective outcomes from preventative to complex disease management has driven the design of a cost structure that is unique within Northern Ohio – MetroHealth breaks even on expenses at Medicaid reimbursement rates. Combining a low fixed cost model with quality patient outcomes equal to or greater than competitive systems, has placed MetroHealth in a favorable position for the transformation of health care to come and creates a sustainable platform to secure the future of Lakewood Hospital.

Defined by a strong Mission and Vision:

Our Vision: MetroHealth will be the most admired public health system in the nation, renowned for our innovation, outcomes, service and financial strength.

Our Mission: Leading the way to a healthier you and a healthier community through service, teaching, discovery and teamwork.

MetroHealth has embraced the role of delivery of public healthcare and continues to strive towards the lofty goal of being responsible for the "health" of the communities we serve. From school based health care that is an extension of an integrated patient-centered medical home to comprehensive care for children in foster care in Cuyahoga County, MetroHealth is deeply invested in elevating the health outcomes of residents in the County. Each day the disparities evident in healthcare are seen in the patients served by MetroHealth. We have witnessed the further decline to a community when access to care is dramatically altered. In cities like Lakewood, where the population is aging and represents a greater prevalence of lower socio-economic status, issues like transportation and culturally competent care can become insurmountable barriers to wellness. MetroHealth understands and builds strategies to address these realities of driving care within a metropolitan area.

The residents of Lakewood and those of the surrounding service area are patients of MetroHealth today and further are residents of Cuyahoga County who deserve to have

sustainable access to high quality care that supports their wellness goals. For the 34,000 patients seeking emergent care or the 9,200 annual admissions, having trusted and convenient access to healthcare services is critically important. For the 650 mothers that deliver infants and the 5,200 patients that need surgical interventions each year, Lakewood Hospital represents a secure partner in wellness. And for the independent physicians that have built a quality practice within the City of Lakewood, the continuation of Lakewood Hospital represents a commitment to the residents built over decades. The 900+ employees that make up Lakewood Hospital represent more than a substantial tax base, they represent trusted and integrated professions with strong patient relationships and a part to play in future of Lakewood.

MetroHealth's Vision for Lakewood Hospital

MetroHealth's vision for healthcare within the City of Lakewood may be summarized in a few key statements:

Community based healthcare – Maintaining a full service, open medical staff hospital and comprehensive ambulatory care access through an innovative partnership between MetroHealth and Premier Physicians. This opportunity enables MetroHealth to strategically direct lower acuity inpatient services from Main Campus to Lakewood Hospital and clinically align with the largest independent physician practice in Cuyahoga County to support Lakewood Hospital. This shared vision enables a continuation of Lakewood Hospital that can be sustained and effectively maintains the employee base for the City. Below are a few of the highlights of MetroHealth's community care model:

- Managing the health of a population begins with a solid patient center medical home and continues through coordination across the continuum of care ensuring the patient receives the right level of care, at the right time and place to meet their needs.
- As Primary Stroke Centers, Lakewood Hospital and MetroHealth would provide a regional stroke presence enhancing the already excellent quality of care at Lakewood Hospital with the MetroHealth protocols that result in faster door to lifesaving treatment times.
- As a leader in rehabilitation, The MetroHealth Rehabilitation Institute of Ohio would bring neurological and musculoskeletal rehabilitation (inpatient and outpatient) services to augment the care developed at Lakewood Hospital.
- The Senior Health Outpatient Program, located at MetroHealth Old Brooklyn Health Center, was the first clinic of its kind to merge the foremost specialists in senior health, creating an entirely new concept in caring for the aging population. The expert,

compassionate MetroHealth senior health team of doctors, dentists, nurses and therapists specially trained in maintaining and improving the physical, emotional and social well-being of older patients would augment and enhance the existing services provided at Lakewood.

- The Elisabeth Severance Prentiss Center at MetroHealth, located on the MetroHealth Medical Center campus, is committed to providing high quality nursing care and rehabilitation services for the most complex cases. This team would partner with Grace LTAC to determine the best pathway to servicing those with long-term needs.
- Leveraging an integrated physical and behavioral health model, MetroHealth would seek to expand access to mental health and substance abuse services for those in need.
- Ensuring a patient driven birth service which seamlessly integrates patient experience with evidence-based medical pathways and non-traditional approaches resulting in a customized, high quality option for families.

Strategic Fit for MetroHealth – As the plan for the new main campus of MetroHealth evolves there is a strategic imperative to align inpatient services with the appropriate cost and clinical models. As the West 25th main campus will remain the region's only Level I Trauma and Burn Center, we will look to Lakewood Hospital as the MetroHealth System's answer for concentrating and expanding lower acuity care. These inpatient services would include general surgical and medical services such as orthopedics, pulmonary, cardiology and neurology as well as inpatient rehab. Based on internal analysis, the admissions from MetroHealth's Main Campus that would be directed to Lakewood would account for 39% of the current inpatient capacity at Lakewood Hospital. When combined with the existing base of admissions from Premier and other independent physicians, the Hospital's current volume is forecasted to be maintained.

Observance?

Efficient Use of Facilities – Based on the initial evaluation and subsequent tour, MetroHealth and Premier believe less than 40% of the total campus acreage would be needed to support this operational vision. This provides the City of Lakewood with an attractive opportunity to repurpose a significant portion of the city center. MetroHealth would support the introduction of a Wellness / Community Recreation Center similar to that in current design stage with MetroHealth's new Brecksville/Broadview Heights Facility. This service line development aligns with the move from sick care to well care and community engagement that MetroHealth seeks to foster in Cuyahoga County. MetroHealth would be an active partner in intra-facility programming to build the direct connection between wellness and healthcare delivery.

Staffing and services for these programs would be delivered through a combination of MetroHealth employed clinicians and a partnership with the Premier Physicians group. The

Premier Physicians group has a long and passionate connection with Lakewood Hospital and the community. Additional clinical services would be supported through a collaborative, open structure for all independent physicians who practice at Lakewood Hospital. Understanding that the success of Lakewood Hospital will be achieved through a strong engagement by both local clinicians and community residents, MetroHealth has built this vision for Lakewood based upon a deep understanding of the community need and in conjunction with the Premier Physicians group. MetroHealth believes that an integrated health system and independent physicians are critical components to the fabric of care within a community, and as such collaborative approaches will underpin this transition to ensure alignment and integration.

Premier's commitment and dedication to Lakewood Hospital is an important backdrop to envisioning the Hospital's future state. Premier's roots with the Hospital are long and deep reaching back to Premier's founding in 1994 and continuing through today with more than 36% of the Hospital's inpatient volume 14% of ambulatory volume provided by Premier physicians. Taking seriously its commitment and responsibility to the mission and purpose of the Hospital, Premier's physicians are also very involved in the leadership of the Hospital and represent 5 of the 6 members of the Hospital's current Medical Staff Executive Committee. Further, Premier physicians have 5 office locations and 15 offices in the City of Lakewood (8 primary care and 7 medical and surgical specialties) and they also serve in Medical Director roles and provide medical coverage in the majority of the post-acute facilities in the City.

With this backdrop and to maintain continuity of care and programming for physicians as well as patients served by the Hospital, Premier and MetroHealth intend to collaborate in a way that integrates and embeds Premier Physicians and other independent community physicians into the operations of the Hospital. This collaboration includes MetroHealth oversight of the overall Hospital operations, clinical oversight of services that best align with MetroHealth augmented by contracting with Premier to provide medical, administrative and management services in distinct service areas within the Hospital that best align with them. This integrated relationship also includes MetroHealth operating the Hospital with an open medical staff; including Premier and its physicians with significant roles in the leadership of the Hospital and its medical staff. The basis of the contracting with Premier to provide management services is built upon co-management agreements for Hospital departments, programs or service lines.

This material collaborative integration with Premier Physicians will make the transition of Lakewood Hospital to the control of MetroHealth smooth and transparent, maintain the continuity of services and volume of activity the Hospital currently enjoys, and serve as a platform to attract and engage other independent physician groups to embrace Lakewood Hospital for the care of its patients.

2. Assurance of Orderly Transition and Continuity and Quality of Care for Hospital Patients:

Providing an orderly transition and continuity of quality care through a change in hospital management is critical. MetroHealth and Premier Physicians have an excellent relationship with The Cleveland Clinic Foundation ("CCF") which will provide the foundation for an organized and well executed transition. Premier Physicians already provides significant clinical services within Lakewood Hospital and accounts for over 36% of the inpatient volume.

Today, Lakewood Hospital employs house physicians to provide coverage for Lakewood Hospital's inpatient units. MetroHealth also employs a hospitalist model at main campus. A plan to transition and integrate these physicians into a new hospitalist/house physician model that enable collaboration with the private practice doctors who admit to the Hospital will be developed with the Medical Staff leadership and hospital management.

MetroHealth shares a common electronic medical record system with CCF, EPIC, providing the patients of Lakewood Hospital with absolute continuity while simultaneously reducing the operational issues associated with retraining hospital employees on a new system. In addition, Premier Physicians have immediate access to their outpatient medical record system (eMD's) at workstations set up on each of the inpatient nursing units at Lakewood Hospital. These EMR capabilities can be extended to other private physician groups in the region. In order to enhance and expand access to patient information in the future, both MetroHealth and Premier Physicians have partnered with CliniSync, the health information exchange created by the Ohio Health Information Partnership (OHIP). This will provide the platform to electronically exchange patient information with other doctors, hospitals and laboratories throughout Ohio. Finally, MetroHealth shares a common financial system with Lakewood Hospital. Again, the synergies and familiarity with the system will provide a more streamlined transition.

Quality of care will be assured by partnering with Lakewood Hospital's Medical Staff leadership, continuing their engagement and active participation in the Hospital's Quality, Safety, Risk Management and Compliance programs. Negotiations with The Cleveland Clinic will center on maintaining their support of the Hospital's quality, patient experience, care management, risk management and patient safety initiatives for a period of time sufficient to insure an orderly, efficient and effective integration of these programs into their programmatic counterparts within the MetroHealth System. Finally, current Hospital licensure and accreditation programs will be actively supported and maintained, including, but not limited to:

- Joint Commission on Accreditation of Healthcare Organizations (JCAHO)
- Ohio Department of Health

- Medicare Conditions of Participation
- College of American Pathologists (CAP)
- American College of Radiology
- Magnet Recognition, American Nurses Credentialing Center

As a Cuyahoga County based health care system, MetroHealth has contracts with all the major payors in our community, eliminating the need and time to negotiate new contracts and delaying access for community members. In summary, the significant benefits associated with maintaining staff employment, sharing a common EMR and financial reporting system, having a basis of collaboration with CCF and partnering with the largest physician group that is already embedded within Lakewood Hospital, will mitigate the operational challenges associated with this large scale transition.

3. Employment of Hospital Employees:

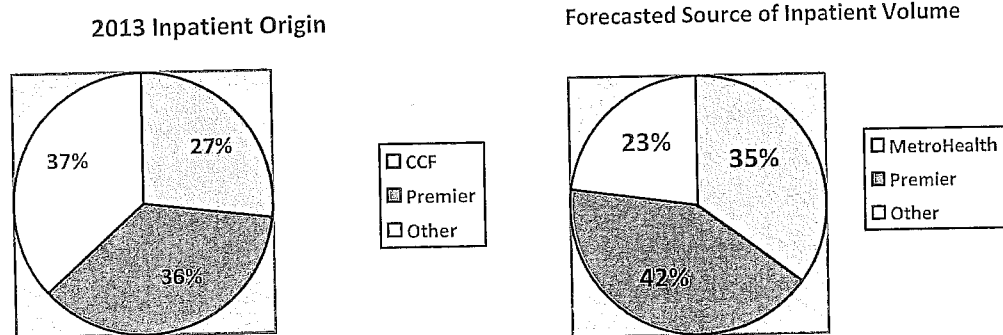
MetroHealth commits that all persons employed in good standing by Lakewood Hospital at the time of this transaction would become MetroHealth employees. As these employees are integrated into The MetroHealth System, human resource policies and procedures will be used to insure that these employees are moved into positions similar to those that they held prior to the transition. Employment levels and staffing mix at Lakewood Hospital will be aligned with the cost structure and clinical needs of the MetroHealth operational vision for Lakewood Hospital. As the forecasted daily bed census is assumed to remain consistent, the intended employment base is projected to remain substantially consistent with staffing levels today.

- Physicians: MetroHealth employed physicians will fill service gaps left following the transition of operations from CCF to MetroHealth. Independent physicians will be encouraged and supported to continue actively practicing at Lakewood Hospital.
 - Hospital Staff: MetroHealth intends to extend similar public employee benefit and union structures with potentially separate bargaining agreements to the Lakewood Hospital employees. Staffing levels and professional credentialing mix will align with similar service lines at MetroHealth.
 - Administrative and operational positions will be examined with the intent of retaining top talent as well as achieving economies of scale with system-wide functions.
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4. Preservation and Expansion of Medical Staff:

MetroHealth and Premier Physicians firmly believe that their commitment to maintaining an open medical staff will be the lynchpin for preserving and expanding physician support for the Hospital and the patients it cares for. Premier physicians now serve as 5 of the 6 Officers of Lakewood Hospital's Medical Staff. (President, President-Elect, Member-at-Large, Department of Medicine, Department of Surgery). Key MetroHealth doctors will be identified and transitioned into the leadership roles currently held by employed Cleveland Clinic physicians at the Hospital to collaborate and partner with this strong base of Premier physician leaders going forward.

- As the largest independent multi-specialty physician group in Northeast Ohio, Premier represents 36% of Lakewood Hospital's total inpatient base. Our MetroHealth Premier partnership not only preserves this patient volume, but would also secure a substantial portion of the existing admissions from the other independent physician members of the Hospital's Medical Staff. Additional volume from the MetroHealth Premier partnership will come from the secondary market area of Lakewood Hospital where Premier currently has 30 physician offices which provide care to over 15,000 covered lives. These patients generate an estimated 350 annual admissions representing a total of 1,225 inpatient days. In addition, these patients equate to an estimated 5,000 annual Lakewood Hospital outpatient visits which are currently directed to other health systems in the market.
 - Additional volume and medical staff support will come from the shift of low acuity services from MetroHealth's main campus. Based upon an analysis of historic utilization, MetroHealth estimates up to 8,600 patients (average LOS of 3 or 25,800 patient days) and 1,225 births could be shifted to Lakewood Hospital.
 - Births: 75% of the current births are assumed to stay at Lakewood Hospital based upon patient origin that equates to 485 births.
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- Approximately 19% of ambulatory visits on MetroHealth's main campus (61,000 visits) are forecasted to be consolidated into Lakewood Hospital ambulatory sites as compared to the potential loss of 34,867 CCF ambulatory visits (2013 data).
- Approximately 30% of the current MetroHealth Emergency Room volume originates from the Lakewood service area. It is expected that up to 30,000 ER encounters could also shift to the Lakewood ER. In addition, Premier physicians currently provide the majority of the Emergency Room call coverage (medicine, surgery and vascular) at Lakewood Hospital and is prepared to continue this level of support in the future. As a direct result, a high percentage of current ER volume will be maintained due to a continuation of service and quality levels.

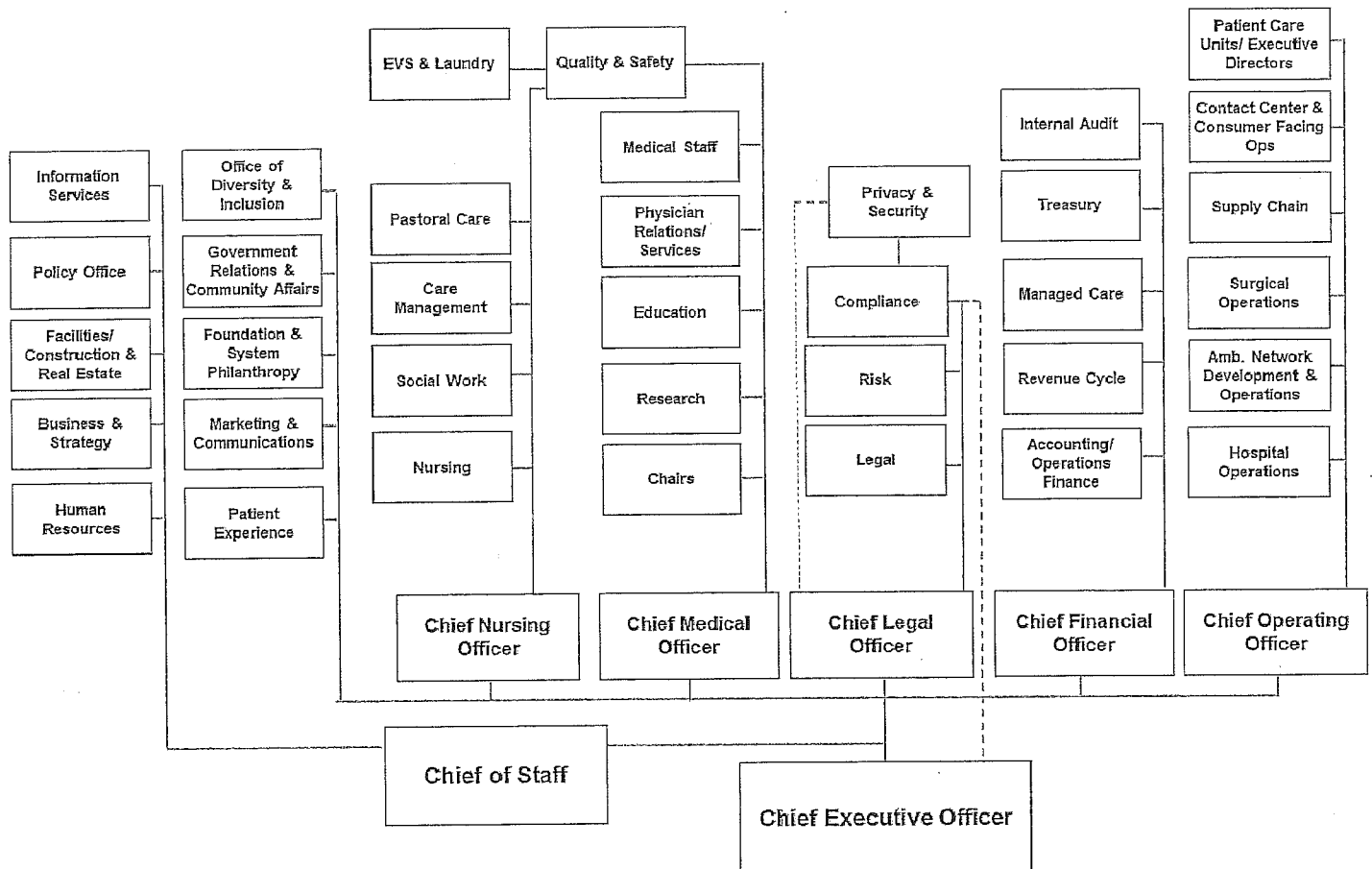
All physicians currently admitting to Lakewood Hospital will be strongly encouraged to maintain their Medical Staff privileges and to continue to actively admit to the Hospital. MetroHealth and Premier will focus their efforts on providing the clinical program support and service levels required to be successful in retaining and growing Lakewood Hospital's Medical Staff.

Our organizations have agreed to work closely and in collaboration to recruit and deploy additional physicians in specialties and locations that will effectively support the expansion of Lakewood Hospitals Medical Staff and patient base. To this end, we would initiate and welcome discussions with CCF in an effort to continue their physician support of specific clinical services, including primary care, within Lakewood Hospital.

5. Capabilities of the Respondent's Organization:

a. *An organizational chart of the Respondent's organization.*

The MetroHealth System Organizational Chart as of 4/10/2014



- b. A description of the Respondent's experience in (i) the provision of health and related services; (ii) the integration of healthcare services between providers of various levels and types of care; and, (iii) implementing successful strategic plans to upgrade and enhance service capabilities.***

i) the provision of health and related services

Since its founding in 1837, The MetroHealth System has been serving the medical needs of the Greater Cleveland community. Today, MetroHealth is one of the largest, most comprehensive healthcare providers in Northeast Ohio. The capacity for patient care is supported by a continued commitment to remain a leader in community service, medical education and research. A core value of The MetroHealth System is the commitment to serving those in our care with dignity, compassion and high quality, regardless of ability to pay.

The MetroHealth System has over 6,300 employees, including 575 physicians and 1,600 nurses. The System includes the 550-bed Magnet-credentialed MetroHealth Medical Center, MetroHealth Rehabilitation Institute of Ohio, a skilled nursing facility, the largest emergency department in the region (nearly 106,000 visits in 2013) and MetroHealth Center for Community Health with nine community-based health centers and eight additional neighborhood locations. The 550-bed, Magnet-credentialed MetroHealth Medical Center is the flagship of The MetroHealth System providing care to approximately 30,000 inpatients including 2,900 newborns annually. Last year, more than 1 million outpatient visits were recorded throughout The MetroHealth System.

MetroHealth is nationally recognized for its advanced techniques in treating complex medical problems. Special interests include: emergency and trauma care, women's and children's services, rehabilitation, long-term care, a variety of surgical specialties, internal medicine and community health. Specialized units are maintained for high-risk obstetrics, neonatal intensive care, pediatric intensive care, surgical and medical intensive care, and coronary care. MetroHealth's services also include a top rated adult and pediatric trauma center, a comprehensive regional burn unit and Metro Life Flight.

(ii) the integration of healthcare services between providers of various levels and types of care

The MetroHealth System offers its patients an interconnected continuum of services – from primary care to specialty care to hospital care and beyond – that allows patients to

transition seamlessly and conveniently through the hospital system. One of the greatest strengths is the well-experienced and well-educated staff. All active staff physicians are full-time faculty of the Case Western Reserve University School of Medicine, and the nursing staff first achieved Magnet status in 2005. The MetroHealth System was the second hospital in Cuyahoga County to receive Magnet recognition, and is the second public hospital in America to be so honored.

The MetroHealth System believes that the continued health of its communities, as well as the success of the system, rests on developing an integrated delivery system which provides comprehensive, coordinated, accessible and high quality continuum of care. Programs like the Department of Obstetrics and Gynecology offer state-of-the-art, comprehensive obstetrics and gynecologic services to women from their teen years through menopause and beyond with comprehensive birthing center and renowned high-risk pregnancy program, to resources to support expectant mothers and families throughout pregnancy and beyond, expert care for routine gynecologic exams, as well as concerns such as gynecological cancer. Similar to the Department of Obstetrics and Gynecology, the Rehabilitation Institute of Ohio at MHS also offers state-of-the-art inpatient and outpatient services for patients recovering from brain injuries, spinal cord injuries, strokes, burns, neurologic disorders, and myriad other types of conditions. The Rehabilitation Institute is the largest hospital-based rehabilitation program in the state of Ohio, and is accredited by the Commission on the Accreditation of Rehabilitation Facilities (CARF).

iii) implementing successful strategic plans to upgrade and enhance service capabilities

It is important for an organization to plan ahead and strategize as a means of sustaining long-term viability. MetroHealth has implemented many successful strategic plans to upgrade and enhance service capabilities for the community.

- In 1999, MHS was the first county hospital in the United States to implement the use of the Epic electronic health record system (EHR) throughout its ambulatory sites and ED; in 2009-10 MHS implemented the EHR throughout the hospital, established health information exchange through Care Everywhere, and personal health records through MyChart. To date, over 99% of MHS providers have met criteria for Stage 1 for Meaningful Use. In 2011, MHS was the only national dual award winner for excellence in applied health informatics of the Association of Medical Directors of Information Services

- Red Carpet Care, a multi-payer program, supported also by The Robert Wood Johnson Foundation, that serves super utilizers (SU) with multiple chronic conditions using: a) payer funded nurse care coordinators; b) cutting edge EHR registries to track and improve quality and utilization of care; and c) enhanced clinical partnerships across health systems, health plans, and faith-based organizations;
- Ohio Medicaid Waiver Demonstration to provide insurance and Patient Centered Medical Home (PCMH) care to Cuyahoga County's uninsured poor population to improve health outcomes and provide cost effective care, consistent with Ohio's health transformation goals. Designed by MHS, the CarePlus program began enrolling patients in January 2013 and now has over 20,000 enrollees with expenses at 6 months almost 40% below budget;
- Partners in Care, which uses the PCMH model for uninsured patients. MHS established Partners in Care in 2009 because it recognized that it is not only the provider organization but also the payer for care to its uninsured patients. It began the program by hiring, training, and embedding nurse care coordinators in inter-professional collaborative care with over 120 physicians at its primary care practices throughout the county. As Partners in Care was implemented, MHS' application to the NCQA in 2010 resulted in highest (level 3) PCMH recognition for all sites.
- In 2013, MHS entered into an agreement with the Cleveland Municipal School District (CMSD) to provide primary care for the CMSD students on school grounds. This school-based health center (SBHC) is an extension of our PCMH for at-risk youth, and provides an additional access point to primary care, which is coordinated through the PCMH.
- In 2013, the ODJFS contracted with MHS to provide medical care oversight of the entire roster of children in foster care in Cuyahoga County. 100% of MH's pediatric population in foster care are insured by Medicaid FFS. While the relationship between MHS and ODJFS lays the groundwork for medical care management, MetroHealth Medical Home for Children in Foster Care focused on applying a mental health primary care integrated model that seeks to fully address the unmet mental health needs of this vulnerable population. Implementing an integrated model significantly impacts the overall health of an at-risk population while reducing overall costs.

- With the opening of the MetroHealth Buckeye Health Center, the facility established a chronic disease management program supported by a \$10 million grant from the Saint Luke's Foundation. Buckeye Health Center's specially developed programs in the following areas focus on conditions more prevalent in the community: asthma, diabetes, obesity and weight management, senior health, and smoking cessation. The Saint Luke's/MetroHealth collaboration offers the opportunity to significantly change both the physical and economic health of the community served by the Buckeye Health Center. By providing services directly to the neighborhood supported by community outreach initiatives with schools, libraries, and churches this program has the potential to serve as a national role model in the successful management, treatment, and prevention of chronic diseases.

c. A description of the Respondent and the successor healthcare organization, if different from the Respondent, including the:

1) type of entity and year and state of incorporation or formation;

The MetroHealth System was formed in 1837 and is a county hospital system organized and operated under Chapter 339 of the Ohio Revised Code.

2) position in Respondent's overall organization;

Not applicable

3) tax status;

Exempt from taxation as a county hospital system organized and operated under Chapter 339 of the Ohio Revised Code

4) members of its governing body (including names and addresses of officers and trustees/directors);

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Karim Botros, Chief Strategy Officer

Karim Botros joined MetroHealth as the newly created Chief Strategy Officer in August 2013.

Kate Brown, Vice President, Foundation & System Philanthropy

Kate Brown was named Vice President of Development in March 2006 after serving as MetroHealth's Director of Development for four years.

Alfred F. Connors, Jr., MD, Chief Medical Officer

Dr. Alfred F. Connors has served as Chief Medical Officer & Senior Vice President for Medical Affairs since 2009. Dr. Connors has a long-standing history with MetroHealth.

John R. Corlett, Vice President, Government Relations and Community Affairs

John R. Corlett joined MetroHealth in February 2010 as Vice President, Government Relations and Community Affairs

Thomas Goins, Vice President of Facilities, Construction, Real Estate and Protective Services

Thomas Goins joined MetroHealth in January 2011 as Vice President, Facilities and Construction.

Sara Laskey, MD, Chief Patient Experience Officer

Sara Laskey, MD, took on the newly created role of Chief Patient Experience Officer in August 2013.

Daniel K. Lewis, Chief of Staff

Daniel K. Lewis was named Chief of Staff in June 2013. Lewis joined MetroHealth in June 2007 as Vice President, Human Resources, and he was promoted to Chief Administrative Officer in June 2011.

Michael Phillips, JD, Chief Legal Officer

Michael Phillips has served as Chief Legal Officer for MetroHealth since September 2012, bringing more than 30 years of legal experience to the role. He is a partner with Calfee, Halter & Griswold LLP.

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5) *stockholders or members;*
Not applicable

6) *management (including key management personnel);*
Leadership Team includes:

**Akram Boutros, MD, Fellow of the American College of Healthcare Executives,
President and Chief Executive Officer**
Dr. Akram Boutros joined The MetroHealth System as President and Chief Executive Officer in June 2013.

Edward Hills, DDS, Fellow of the American College of Dentists, Chief Operating Officer
Dr. Edward Hills was appointed as Chief Operating Officer in March 2011 after serving as Interim COO since April 2010.

Elizabeth Heller Allen, Vice President, Marketing and Communications
Elizabeth Heller Allen was named Vice President, Marketing and Communications in October 2013.

Mavis Bechtle, BSN, MSN, FNP, FACHE, Chief Nursing Officer
Mavis Bechtle joined MetroHealth as Chief Nursing Officer in July 2011.

Craig Richmond, Chief Financial Officer

Craig Richmond joined MetroHealth in April 2010 as Vice President, Revenue Cycle, took on the role of Associate Chief Financial Officer in May 2013, and was named Chief Financial Officer in January 2014.

Don Reichert, Chief Information Officer

Don has served for three years as Senior Director of Applications before being promoted to Chief Information officer in March 2014.

7) facilities and businesses operated;

The MetroHealth System owns and operates 18 locations throughout Cuyahoga County, including a 550-bed hospital and outpatient pavilion, skilled nursing facility, ambulatory surgery center, and 15 health centers, two of which are operated in conjunction with the Cleveland Department of Public Health.

8) location of facilities and businesses operated;

Site	Address	City	State	Zip	Type
MetroHealth Medical Center	2500 MetroHealth Dr	Cleveland	OH	44109	Hospital
MetroHealth Broadway Health Center	6835 Broadway Ave	Cleveland	OH	44105	Outpatient Medical Center
J. Glen Smith Health Center (in conjunction with Cleveland Department of Public Health)	11100 St. Clair Ave	Cleveland	OH	44108	Outpatient Medical Center
MetroHealth West Park Medical Center	3838 West 150th St	Cleveland	OH	44111	Outpatient Medical Center
Thomas F. McCafferty Health Center (in conjunction with Cleveland Department of Public Health)	4242 Lorain Ave	Cleveland	OH	44113	Outpatient Medical Center
MetroHealth Asia Town Health Center	2999 Payne Ave	Cleveland	OH	44114	Outpatient Medical Center
MetroHealth Buckeye Health Center	2816 East 116th St	Cleveland	OH	44120	Outpatient Medical Center
MetroHealth Lee-Harvard Health Center	4071 Lee Rd	Cleveland	OH	44128	Outpatient Medical Center
MetroHealth West 150th Health & Surgery Center	4330 West 150th St	Cleveland	OH	44135	Surgery Center
MetroHealth Brooklyn Health Center	5208 Memphis Ave	Brooklyn	OH	44144	Outpatient Medical Center
The Elisabeth Severance Prentiss Center	3525 Scranton Rd	Cleveland	OH	44109	Skilled Nursing
MetroHealth Old Brooklyn Senior Health & Wellness Center	4229 Pearl Rd	Cleveland	OH	44109	Outpatient Medical Center
MetroHealth Beachwood Health Center	3733 Park East Dr	Beachwood	OH	44122	Outpatient Medical Center
MetroHealth Pepper Pike Health Center	29125 Chagrin Rd	Pepper Pike	OH	44122	Outpatient Medical Center
MetroHealth Lakewood Health Center	14701 Detroit Ave.	Lakewood	OH	44107	Outpatient Medical Center
MetroHealth Middleburg Hts November Family Health Center	7800 Pearl Rd	Middleburg Hs	OH	44130	Outpatient Medical Center
MetroHealth Westlake Health Center	24700 Center Ridge Rd	Westlake	OH	44145	Outpatient Medical Center
MetroHealth Premier Health Center	25200 Center Ridge Rd	Westlake	OH	44145	Outpatient Medical Center

9) nature and extent of medical school affiliations, if any; and

A principal teaching hospital of Case Western Reserve School of Medicine, MetroHealth maintains a fine tradition of academics and research. All active-staff physicians are full-time faculty of the Case Western Reserve University School of Medicine and actively participate in graduate and undergraduate medical education. Last year, 380 residents and fellows received intensive training in more than 25 specialties. In addition, 450

fourth year medical students completed more than 500 rotations. The Charles H. Rammelkamp, Jr., M.D. Center for Education and Research houses education and research programs including the schools of radiologic, ultrasound and medical technology.

10) audited financial statements for the most recent three (3) fiscal years (or unaudited financial statements if audited statements are unavailable).

See appendix

- d. A description of the Respondent's commitment to the provision of quality care within the healthcare facility or facilities that it operates, if applicable, and the mechanisms by which such commitment is implemented and assessed, including, for example, the licenses, certifications and accreditations, awards and public reports that are applicable to such facilities and its corporate compliance programs.***

MetroHealth is committed to maintaining and developing processes to stay ahead of the curve in patient safety and quality initiatives in order to provide the best possible outcomes to our patient population. Since 2010, MH has restructured the Quality committee to better engaged the CEO and Board and assure system wide awareness and involvement in establishing a culture of safety at MetroHealth.

In 2012, MetroHealth joined The National Association of Public Hospitals (NAPH) Safety Network (NSN) Partnership for Patients (PfP), a national initiative that aims to reduce preventable hospital-acquired conditions by 40 percent and 30-day readmissions by 20 percent by 2013. Adverse events can lead to a variety of hospital-acquired conditions that cause significant harm and even death, as well as raise costs. To meet these targets, 29 NAPH hospitals, including MH, have signed on to work collaboratively with the NSN, which will draw on improvement methods and strategies outlined by the Institute for Healthcare Improvement.

MetroHealth has conducted a relentless campaign against hospital Acquired infection since 2010.

Accomplishments shown below:

- Improved hand hygiene to remarkable rates, the average hand hygiene compliance for 2013 was 97.6%.

- Improved compliance with isolation procedures. Isolation compliance is now at an exceptionally high level of 99.3%
- Infection prevention works directly with EVS in training and monitoring new workers
 - Rate of C. Diff infection in 2013 was significantly better than average putting us in the top 5% to 10% of hospitals nationally for preventing hospital acquired C. Diff.
 - The rate of Clostridium difficile on surfaces in patient rooms after post-discharge room cleaning was lowest at MetroHealth among seven large hospitals in Cuyahoga County.
- Completely revamped our sterilization and high level disinfection processes which dramatically reduced the use of flash sterilization
- Implemented an antibiotic stewardship program in 2010 and an antibiotic stewardship consult service in 2012
- Deployed evidence based protocols to reduce CLABSI, VAP and CAUTI
- Completed two years of mandatory influenza vaccination to protect patients from nosocomial influenza at 100% compliance

Along with other key independent physicians, Premier Physician leaders are engaged in, and have assumed leadership roles on the Lakewood Hospital Committees responsible for managing the outcomes of the Hospital's quality initiatives. As a direct result of their participation and collaborative effort with the Hospital's Medical Staff, they have achieved success in:

- Driving the Hospital's quality core measures:
 - The percent of patients who received the recommended care appropriate for patients with the following conditions:
 - Pneumonia Care: 100% vs. 96% U.S. hospital average
 - Surgical Care: 98% vs. 94% U.S. hospital average
 - Stroke: 98% vs. 84% U.S. hospital average
 - Notification by the Joint Commission that the Hospital is on track to become a Top Performer on Key Quality Measures
- Significantly improving patient experience/HCAPS scores
- Premier physicians have played a key role in utilization review/reducing hospital readmissions
 - Hospital received the Ohio Hospital Association PFP HEN award for reducing readmissions by at least 20% (only OHA hospital to receive this award)
- Safety, Infection Control and Risk Management

- Peer Review

These Premier Physicians will maintain their commitment and focus on the Hospital's continuous quality improvement efforts in partnership with their MetroHealth physician colleagues who will transition into the quality roles currently held by Cleveland Clinic doctors at the Hospital. Premier physicians also have close and excellent working relationships with Lakewood Hospital's Chief Medical Officer and their non-Premier Medical Staff leaders within the facility. Collectively, they bring a breadth and depth of expertise and experience in advancing the quality of care that is delivered at the Hospital. As such, we will actively reach out to and continue our close collaboration with these key physicians to insure the seamless transition of these programs and to maintain their engagement and support in managing the quality of care delivered to Lakewood Hospital's patients.

Partnerships

The MetroHealth System is proud to be a founding partner of the Better Health Greater Cleveland initiative. Better Health Greater Cleveland is an unparalleled alliance of regional stakeholders that is committed to improving the health and quality of care for Greater Cleveland's residents with common chronic medical conditions.

The alliance synchronizes three vital initiatives:

- Measuring and publicly reporting physician group practice achievement using nationally endorsed indicators of high quality care
- Consumer education that builds community understanding of health-care quality and spurs patient activation in their care
- Coordinated region-wide provider education in quality improvement

Licenses, Certifications, Awards and Recognitions

The MetroHealth System is continuously striving to provide the highest quality care to the people we serve. In fact, MetroHealth was named among the top 1% of hospitals nationwide for quality and efficiency of care, receiving the 2010 Premier Award for Quality for superior patient outcomes, providing outstanding patient care, and consistently setting the standard in clinical excellence.

- The Joint Commission for Accreditation of Health Care Organizations
- National Committee for Quality Assurance (NCQA)
- Commission Accreditation of Rehabilitation Facilities (CARF)

- Commission on Cancer, which recognizes MetroHealth for Certified Cancer Care
- American College of Surgeons' National Accreditation Program for Breast Centers (NAPBC) - In summer 2011, the Comprehensive Breast Program at MetroHealth earned accreditation from the American College of Surgeons' National Accreditation Program for Breast Centers (NAPBC). The full three-year NAPBC accreditation is awarded to programs providing the highest level of quality breast care for both benign and malignant breast diseases.
- Get with The Guidelines – AFIB Bronze Achievement Award, 2014-2015 (AHA/ASA) - The American Heart Association proudly the MetroHealth System's commitment and success in implementing a higher standard of care by ensuring that patients with atrial fibrillation receive treatment according to nationally accepted standards and recommendations.
- Get With The Guidelines Stroke Gold 2013 (AHA/ASA) - In October 2011 MetroHealth's Stroke & Cerebrovascular Center received the American Heart Association/American Stroke Association's Get With The Guidelines - Stroke Gold Plus Quality Achievement Award. MetroHealth was the only hospital in Ohio named to the association's Stroke Honor Roll. To receive the Gold Plus award, MetroHealth achieved 85% or higher adherence to all Get With The Guidelines-Stroke Quality Achievement indicators for two or more consecutive, 12-month intervals and achieved 75% or higher compliance with six of 10 Get With The Guidelines-Stroke Quality Measures.
- Magnet Recognition - MetroHealth nurses have achieved the highest national recognition, placing MetroHealth among the nation's elite hospitals. MetroHealth is proud to be one of the few public hospitals nationwide to earn Magnet Re-designation.

Corporate Compliance

MetroHealth has an active and comprehensive compliance program that has in place the 7 elements of an effective program Compliance program as outlined by the OIG; Standards and Procedures, Oversight, Education and Training, Monitoring and Auditing, Reporting, Enforcement and Discipline and Response and Prevention.

- e. A description of the Respondent's commitment to maintaining and enhancing employee satisfaction within the healthcare facility or facilities that it operates, and the mechanisms by which such commitment is implemented and assessed.*

The MetroHealth System offers a dynamic and diverse work environment that embraces diversity and provides ample opportunities for continuing education and career growth.

MetroHealth has a commitment to the community we serve and to our employees who help us achieve our success.

As of September 2013, we are proud to have received ten "Top 99 Employers" awards from the Employers Resource Council, placing MetroHealth in the "Legacy Award Winner" category. At MetroHealth we are committed to providing opportunities for each individual to contribute and achieve his or her professional goals.

Employee Engagement

The MetroHealth System routinely asks employees to provide feedback on everything from workplace culture to projects that impact how the community views our System. The following are a couple of examples of how the System solicited employee feedback in 2013. In December 2013, MetroHealth launched a confidential Employee Pulse Survey to find out how engaged our 6,000+ staff felt with the System. Nearly 3,200 employees took the survey. The results indicated that 92% of employees were engaged in the organization. Leaders and employees were encouraged to continue conversations and find new ways to be creative and innovative. These behaviors are carried through all programs leading to a more transparent outcome. One example of creative employee involvement was displayed when MetroHealth created a fun contest to choose the system's new van wraps. In the Fall of 2013, we announced plans to update the plastic wraps that are displayed on the System's 14 vans, functioning as mobile billboards promoting the System's locations and services. Several conceptual designs were revealed, and the contest was viewed as a fun, engaging way for employees to voice their opinions on a project that would be seen by thousands of Cuyahoga County residents. More than 1,900 employees cast votes.

Employee Wellness

The MetroHealth System is committed to promoting a healthier community, including the well-being of our employees. We believe that it's important to care for ourselves so that we may care best for others. As an Academic Healthcare system and safety-net provider to Cuyahoga County, The MetroHealth System has a responsibility to strongly promote healthy choices. Studies show that healthcare workers who adopt healthy lifestyles improve patient outcomes, increase patient satisfaction, and improve the likelihood patients will make healthy choices themselves. Healthier employees are more productive and effective workers, have lower healthcare costs, and have higher levels of satisfaction with their jobs and their employer.

That's why we're proud to offer MetroHealthy, our system-wide wellness initiative. Through the MetroHealthy initiative, our goal is to inspire employees to be role models who commit to healthy living for themselves, our patients and the community. Employees who participate in the MetroHealthy Rewards Program are eligible to receive rewards and other incentives throughout the year, including a \$600 discount on annual health care premium contributions. In 2013, had over 52% of our employee population take advantage of the benefit. Additionally, we engaged over 64% of our employees through wellness challenges and our designated online wellness portal and smartphone app. Employees who complete the MetroHealthy Initiative steps are eligible to receive rewards and other incentives.

The following are a few wellness options available to our employees:

- MetroHealthy Wellness Portal
- Fitness center at MetroHealth Medical Center
- Employee Assistance Program
- Weight management programs
- Disease management programs
- Stress management programs
- Wellness Champion network
- Special event health teams
- Clearly labeled healthy menu options in dining locations
- PEP Talks (community health talks)

The strong foundation of the initiative, in addition to the above efforts, led the way for local and state recognition for MetroHealthy and its leaders in 2013. The Associate Director of Employee Health & Wellness was the recipient of the Crains HR Leaders Award for Innovation in Wellness and The MetroHealth System was the recipient of the Ohio Department of Health's Healthy Worksite Award – Bronze Level for 2013. This helps to showcase MetroHealth's commitment to our employees and adds another level of distinction in helping to make MetroHealth a top employer of choice in Northeast Ohio.

Employee Commitment

In addition, The MetroHealth System offers its employees numerous benefits of employment beyond competitive salaries:

- Healthcare; 3 medical plans to choose from; dental, vision and prescription plan (*Same sex domestic partner benefits offered in 2014)
- Life insurance with coverage for employee and dependents
- Generous vacation benefit (based on length of service)

- Sick leave at a rate of 4.6 hours per 80 hours of active service
- 10 regular Holidays per year
- Tuition reimbursement after 3 months of employment completed
- RTA Commuter Advantage Program allows purchase RTA monthly express or local pass with pre-tax dollars
- Flexible spending accounts for both health and dependent care
- 457 deferred compensation plan allows employees to reserve pre-tax income for retirement
- Tobacco free work environment, the organization currently offers smoking cessation benefits for all employees enrolled in one of our health plans with no copayment required.
- OPERS - Ohio Public Employees Retirement System - one of the best retirement plans in the country. Employer contributes 14% of earnable salary up to IRS limits.
- Employee assistance program - provides confidential assessment, counseling and/or referral for employees and their families
- Additional employee services include:
 - Metrocize – exercise facility open 24 hours a day, 7 days a week for a \$60 annual enrollment
 - Discount tickets to a variety of local activities
 - MetroHealth Travel Services
 - Payroll Direct Deposit
 - Access to Credit Union
 - Pre-tax parking deductions

- f. **A description of the Respondent's existing charity care and community benefits programs and plans for those at the Hospital evidencing Respondent's commitment to meet the medical needs of the Hospital's indigent patients, and the healthcare needs of the Hospital's service area.**

Northeast Ohio's need for high-quality affordable health care has never been greater, as the region recovers from the economic downturn. As a result, our mission has never been more vital to the health of the region. As a public hospital, MetroHealth provides medical care to all Cuyahoga County residents, including the indigent and uninsured that are unable to afford such care.

- In 2012, MetroHealth provided outpatient and emergency visits and inpatient stays to uninsured residents at a cost of \$132.9 million. After county health and human

services subsidy and additional funding from the state, MetroHealth itself rendered \$66.8 million to the uninsured.

- The total amount MetroHealth spent on community benefits in 2012 was \$71.2 M dollars. This number includes items such as the cost of Medical education programs. Services with low and negative margins, special population outreach programs, pastoral care, and transportation programs.

MetroHealth's innovative Medicaid expansion program, MetroHealth Care Plus, was able to leverage County subsidy funds to draw down matching federal funds to provide healthcare to 36,000 Cuyahoga County residents in 2013. These are patients that would have been previously considered uninsured.

The MetroHealth Care Plus program provides a vehicle for The MetroHealth System to greatly enhance current programs serving uninsured Cuyahoga County residents today. These enhancements include:

- Expanding the scope of health care services available to uninsured Cuyahoga County residents by providing coverage that is equivalent to a comprehensive benefit package.
- Newly covered and/or expanded services The MetroHealth System offers under the Care Plus program include prescription drug coverage, dental services, behavioral health services, additional physician services, home care services, and durable medical equipment. As of April 2014, these patients have been successfully transitioned to Medicaid expanded coverage.

The MetroHealth System launched a patient-centered medical home program in its primary care practices called Partners in Care in 2009. Partners in Care is designed to improve the health of the uninsured, many of whom struggle with chronic illnesses like hypertension, diabetes, and obesity.

The MetroHealth System's Partners in Care medical home program serves uninsured patients in a more clinically effective, cost effective way and improves chronic disease management for enrolled patients. One area of focus for Partners in Care has been in the reduction of emergency room encounters for the Partners in Care patients. Based on an analysis of the 2011 data for the Partners in Care program, the enrolled patients' emergency room usage was 479 visits per 1,000 patients in 2010, and this was reduced to 441 visits per 1,000 patients in 2011, for an 8 percent reduction. The rate for non-enrolled

uninsured patients in 2011 was 730 per 1,000 patients, which is 65 percent higher than those who were enrolled in Partners in Care.

The MetroHealth System is one of the largest employers in Northeast Ohio. The health system created over 200 new full-time jobs in 2013, bringing the total number of employees at the MetroHealth system to nearly 6,400.

- g. **A description of the basis on which the Respondent believes that it (or the successor healthcare organization) has sufficient current and future financial resources to carry out the intent of the Transaction (including payment of the Purchase Price and funding of capital improvements and service additions, as applicable), in the manner described in the Proposal.**

MetroHealth has had six consecutive years of positive earnings with 2013 reporting an operating income of \$18.9 million. Demonstrating growth in a highly competitive market, MetroHealth reported a 9.2% increase in operating revenue from \$783 million in 2012 to \$855 million 2013. As a County entity, The MetroHealth System has access to the Build America Bonds which are Taxable municipal bonds that feature tax credits and/or federal subsidies for bondholders and state and local government bond issuers that lower the cost of borrowing for state and local governments in financing new projects.

Subject to greater due diligence, estimations of Lakewood Hospital operations under a MetroHealth cost structure are forecasted to provide a breakeven to positive position. This is based upon a lower fixed cost allocation and low cost clinical service contracts balanced against an assumed less favorable anticipated payor mix, commercial reimbursement rates and supply costs.

- h. ***The identity of the individuals who will be responsible for any final negotiations and who will be the key contact person.***

Final negotiations will be conducted by:

- Akram Boutros, MD, Fellow of the American College of Healthcare Executives, President and Chief Executive Officer
- Karim Botros, Chief Strategy Officer
- Michael Phillips, JD, Chief Legal Officer
- Key contact person is Julie Jacono, Director of Business Development

i. ***A summary of Respondent's typical approval process and anticipated timeline to complete the Transaction.***

Final authorization for the consummation of the Transaction will come from the MHS Board of Trustees who will need to approve the Definitive Agreement in substantially final form. Management of MHS has and will continue to update the Board on this possible transaction and thus presentation for final approval should proceed in the ordinary course as the documentation is finalized. The Board meets monthly and we do not anticipate any delay with the Board decision. Once the Board approves the execution and performance of the Definitive Agreement no further approvals from MHS are required.

Premier Physicians' Board of Directors will also be required to approve the Definitive Agreement and co-management structure in final form to enable consummation of this transaction. Premier's Board meets monthly, and its executive management has and will continue to update the Board on this transaction. Therefore, presentation for final approval should proceed in the ordinary course with no anticipated delay as this transaction is finalized.

6. **Governance; Local Representation on Successor Healthcare Organization Governing Body**

MetroHealth proposes to acquire the Lakewood Hospital Assets (to be defined in the definitive agreement) through agreements with the City of Lakewood and LHA, and Cuyahoga County which would result in Lakewood Hospital becoming a component of MetroHealth, operating as a branch of the county hospital. In the event this proposed structure is determined not to be feasible, MetroHealth is committed to developing a mutually agreeable collaborative arrangement with the City and LHA whereby it will commit to a long term agreement (including possibly a long term lease) providing for the operation of Lakewood Hospital.

As described above, MetroHealth is proposing to acquire full ownership of the LH Assets. MetroHealth has not developed definitive plans for the composition of a governing body for the hospital in the case of full asset transfer, although it does anticipate physician representation on such body. MetroHealth is open to scenarios in which MetroHealth alternatively enters into a long term operating arrangement replacing The Cleveland Clinic Foundation ("CCF") as the corporate Member of Lakewood Hospital Association. Other legal structures including affiliation, merger or sale can be explored in the future. Further, this method of transition will be achieved most successfully and seamlessly by retaining most of the existing Hospital governance (Articles of Incorporation and Code of Regulations), as well as Hospital management and medical staff leadership. In addition to the foregoing, the Hospital's legal structure and management shall include co-management and other agreements with Premier

Physicians Centers, Inc. for the management of Hospital departments as allowed by and pursuant to applicable law and regulation.

Governing Documents

If the form of the final transaction would be a long term operating agreement, it would be proposed that the existing Hospital governance remain substantially intact. The Articles of Incorporation should be amended to provide for MetroHealth serving as the sole member replacing CCF. The Code of Regulations should also remain substantially the same with a few changes to the Board structure as follows.

Corporate Authority

Subject to the form of the final transaction and except as otherwise provided by law or compliance, all of the authority of the Corporation shall be exercised by the Board of Trustees.

Composition of Board of Trustees.

In the case of an asset transfer, governance structures would be developed consisted with the intent of LHA oversight and in compliance with the County oversight mandates.

So long as the Lease remains in effect, the Board of Trustees shall consist of twenty-three (23) Trustee positions, of which nine (9) shall be General Trustee positions; two (2) shall be Community Trustee positions (representatives of the community spiritual leaders; two (2) shall be Special Trustee positions (nominated by Council and the Executive); (2) shall be representative physicians from Premier Physicians Centers, Inc., three (3) shall be Member Trustee positions and four (4) shall be Ex-Officio Trustee positions as hereinafter provided. The five (5) Ex-Officio Trustee positions shall be filled by the following individuals:

(a) The Executive of the City of Lakewood, Ohio. For the purposes of these Regulations, "Executive" means the Mayor of the City of Lakewood, Ohio, or, in his or her absence or unavailability, the acting Mayor as provided in the City Charter.

(b) Two (2) Council Representatives. For the purposes of these Regulations, "Council Representatives" means the two (2) members of the Council of the City of Lakewood, Ohio (the "Council"), who are selected to act as such Representatives by a majority vote of all the members of the Council, provided that, if more than one (1) political party is represented on the Council at the time of such selection, one (1) of the individuals so selected shall be a member of the political party having the largest number of representatives on the Council as of the date of such selection and the other shall be a member of the political party having the second largest number of representatives on the Council as of the date of such selection. The

Council Representatives shall be selected by the Council as of January 2 in each even numbered year.

- (c) The President of the Medical Staff of Lakewood Hospital; and
- (d) The President-elect of the Medical Staff of Lakewood Hospital.

Each Trustee, including each Ex-Officio Trustee, shall have the right to vote on matters coming before the Board of Trustees and shall be counted for purposes of a quorum.

Reserved Powers

The following corporate actions to be taken by the Board of Trustees shall require the approval of the Member (but may not be exercised independently by the Member):

- (a) Changes to the Articles of Incorporation and Code of Regulations of the Corporation.
- (b) Any merger, consolidation or other affiliation of the Corporation with any other entity or the sale of all or substantially all of the assets of the Corporation or a dissolution or material change in the operations or purpose of the Corporation.
- (c) Any management contract, lease or similar contract between the Corporation and any outside entity involving a significant portion of the assets or operations of the Corporation.
- (d) Appointment of the Corporation's auditors.
- (e) Any unbudgeted capital projects in excess of \$500,000 or such greater amount as the Member may from time to time specify in writing, or any project requiring a certificate of need.
- (f) The Corporation's incurrence, assumption, or guarantee of any indebtedness, capital expenditures, or disposal of assets, in excess of \$500,000 or such greater amount as the Member may from time to time specify in writing.
- (g) The Corporation's annual operating and capital budgets.
- (h) Strategic plans consistent with the overall strategic direction and plan of MetroHealth System.

- (i) The Corporation's strategic and financial plans, including the implementation of new or elimination of existing services offered at Lakewood Hospital.
- (j) Coordination of financial management programs with such programs utilized by the Member.

Member Powers

The following corporate actions shall be exercised by the Member as set forth herein:

- (a) Appointment of the Chief Executive Officer of the Corporation; provided, however, that such individual also must be approved by the Board of Trustees.
- (b) Termination of the Chief Executive Officer after consultation with the Board of Trustees; provided, however, that the Board of Trustees shall have the right to terminate the Chief Executive Officer after consultation with the Member;
- (c) Review of all managed care contracts at any point in time and provide specific requirements with regard to the terms thereof or whether or not to renew such agreement, at the time of renewal of such agreements.
- (d) The right to cause the Corporation to sell or factor its accounts receivables, provided, however, that such right shall only arise at such time or times when the Corporation's accounts receivables exceeds, as measured by days in receivable, the median accounts receivable for Northeast Ohio hospitals by thirty percent (30%), as published by the Center for Health Affairs ("CHA") or other available data. National median accounts receivable data may be used if information regarding Northeast Ohio hospital median data are not available from CHA or such other reliable source.

Medical Staff

To maintain continuity of care and programming for physicians as well as patients served by the Hospital, it is proposed that the new corporate Member keep intact the current Medical Staff ByLaws and Medical Staff leadership including the current Medical Executive Committee and Medical Staff president and president-elect. However, any CCF employed physician serving in a medical staff leadership role shall be replaced by a physician appointed by MetroHealth.

Further, the Hospital Medical Staff shall be an "open" medical staff - not restricted to only MetroHealth employed or contracted physicians.

Community Advisory Board

To engage the support, advice and counsel of the broader City of Lakewood community and community and government leadership served by the Hospital, the existing "Community Advisory Board" ("CAB") should be reinvigorated by recruiting new members from among residents and businesses of the City of Lakewood to meet quarterly at the Hospital. The CAB's mission would be to provide a platform for the Hospital to listen and learn about community concerns and ideas about Hospital services and community health needs, and for the CAB to learn about Hospital operations and programs.

7. Purchase Price

To ensure a sustainable and consistent delivery of care for the residents of the City of Lakewood, MetroHealth proposes a complete transfer of the Lakewood Hospital assets to Cuyahoga County.

Included in this asset transfer would be the following:

Name	Address	City	Square Footage	Comments
Lakewood Hospital	14519 Detroit Ave	Lakewood	499,000	Main campus: Average plant age 55 yrs. Presumed to require significant infrastructural investment
Westlake Medical Campus	850 Columbia Road	Westlake	96,110	Endoscopy/Ambul Surgery Suites; Fully Leased

Assets considered for alternative arrangements with LHA:

Name	Address	City	Square Footage	Comments
Detroit - Marlowe Building	14501-15 Detroit Avenue	Lakewood	8,000	On the corner of the hospital lot
Lakewood Professional	14601 Detroit Avenue	Lakewood	86,528	Building Across the street from the hospital
Lakewood Medical Building - Community Health Center	1450 Belle Avenue	Lakewood	23,721	Across the street from the hospital
Lakewood Medical Office Building	12409 Lorain Avenue	Lakewood	6,000	

As additional hospital plant expansion is not considered, the following assets are proposed to be evaluated separately for development to support community wellness in a manner complimentary to the Operational success of Lakewood Hospital:

Name	Address	City	Square Footage
Lakewood Home I - 1458 Belle Avenue	1458 Belle Avenue	Lakewood	2,056
Lakewood Home II - 1462 Belle Avenue	1462 Belle Avenue	Lakewood	1,778
Lakewood Home III - 1466 Belle Avenue	1466 Belle Avenue	Lakewood	1,843
Lakewood Home IV - 1472 Belle Avenue	1472 Belle Avenue	Lakewood	1,690
Lakewood Home V - 1476 Belle Avenue	1476 Belle Avenue	Lakewood	1,960
Lakewood Home VI - 1451 St. Charles Avenue	1451 St. Charles Avenue	Lakewood	1,715
Lakewood Home VII - 1457 St. Charles Avenue	1457 St. Charles Avenue	Lakewood	1,914
Lakewood Home VIII - 1461	1461 St. Charles	Lakewood	1,665

St. Charles Avenue	Avenue		
Lakewood Home IX - 1471 St. Charles Avenue	1471 St. Charles Avenue	Lakewood	1,599
Lakewood Home X - 1477 St. Charles Avenue	1477 St. Charles Avenue	Lakewood	1,242

8. Capital Commitment:

MetroHealth commits that, subject to its due diligence review and the completion of a strategic evaluation of Lakewood Hospital, it will provide the necessary capital to fulfill the sustainable operations described in Section 1 as well as provide the infrastructure support necessary to sustain Lakewood Hospital in combination with key stakeholder groups. MetroHealth proposes three sources of capital to support what is estimated to be a \$30-50M capital investment needed to renew the main campus. An estimated \$10-20M will be needed to support investment into the Hospital's ambulatory locations. Subject to due diligence, this estimated capital need ranges from \$40 - \$70M. Sources to fulfill this capital requirement would include:

- MetroHealth believes that The Cleveland Clinic Foundation has a requirement and responsibility to fulfill their commitment to this facility. While this negotiation would occur between LHA and CCF, MetroHealth estimates this support to fall within the range of \$40 - \$50M that could be paid over an agreed upon term.
- As a dedicated supporter of Lakewood Hospital, MetroHealth would seek to dialogue with The Lakewood Hospital Foundation to determine the scope of support from the Foundation needed to ensure efficient long-term access of this facility for the residents of Lakewood and insure the sustainability of The Lakewood Hospital Foundation.
- MetroHealth has access to capital through the Build America Bond pool from which Cuyahoga County can provide funding to complete the capital investment needed.

9. Description of Contingencies and Other Requirements in Definitive Agreement:

The consummation of the proposed transaction is subject to the satisfactory completion of a customary due diligence review of Lakewood Hospital, its assets and financial information; and execution of co-management agreements by service line with Premier Physicians; and approval by MetroHealth's Board of Trustees and the Premier Board of Directors.

10. Regulatory Approvals:

The consummation of the proposed transaction is conditioned upon, and subject to, receipt of all necessary regulatory approvals, including without limitation (i) satisfaction of the filing requirements with the Ohio Attorney General under O.R.C. Section 109.34; (ii) expiration of any HSR waiting periods.

11. Assumption of AR and AP; Collection of Accounts Receivable:

MetroHealth does not propose to purchase Lakewood Hospital's AR or AP. However, consideration will be given to acting as an agent of LHA to execute the remaining AR.

12. Staff Training:

Employed staff will be required to complete MetroHealth mandated training for compliance. Additionally, staff will have access to optional training in professional development.